

April 20, 2001

WORKING CAPITAL FUND BOARD
MINUTES OF THE MEETING
April 19, 2001

(1) Introduction

Acting Chair Howard Borgstrom Called the meeting to order. He introduced Jenifer McAndrew from Department of Commerce.

(2) Minutes of March 29, 2001 Board Meeting

After discussion of the DOENet section of the Minutes, the Board approved the minutes of March 29, 2001 Board meeting without change.

(3) Online Learning – Initial WCF activity FY 2002, Pricing Policy for Board Approval

Jerome Butler and David Roth addressed the Board concerning the Online Learning Center. The Office of Training and Human Resource Development proposes adding the Online Learning Center (OLC) as a business line for FY02. The proposed pricing policy for the OLC is based on distribution of fixed base costs and a usage fee based on the actual number of users that are subscribed to the OLC for access to courses. There is also a provision for a fee for service for other training services on an as needed basis by an organization. This provision will provide programs a platform to broadcast program specific training and other training options to meet their critical mission requirements.

The FY 2002 and FY 2003 budget estimates will be based on the percentage of participation at the beginning of the 3rd quarter of the prior FY and customer input to subscription requirements for budget years. The FY 2002 October WCF bill will charge customers for fixed business expenses based on FY 2001 usage plus incremental subscriptions ordered by September 1, 2001. Subsequent quarterly bills will be based on incremental subscriptions subject to service agreements negotiated with OLC.

Due to its beneficial experience with a WCF working group, the Office of Training also proposes establishing an OLC Advisory Committee to provide recommendations for WCF purposes. The committee would consist of representatives from the WCF Board, the TDMC and other expertise as needed. A charter for the Advisory Committee will be developed and the first meeting will commence in August 2001.

Questions from the Board included issues related to controlling access to the training module, getting statistics in terms of employee usage, and cost based reimbursable agreements. The programs control access when they acquire the subscriptions. The system generates robust usage statistics. The board supports the use of reimbursable

April 20, 2001

agreements between the program customers and the OLC business line to provide broader training opportunities. The Board approved the proposals, unanimously.

(4) Desktop Business Line – Changes in FY 2001

Linda Cureton addressed the board concerning some of the difficulties of the training portion of the Desktop business. Considering the discussion of the Online Learning Center, she proposed going out of the computer based training business and allowing Online Learning to serve the Department's needs. Roger Lewis suggested that the CIO review best in class IT training for the Department. The Board approved the proposal.

(5) Payroll Outsourcing and Impact on FY 2002 and FY 2003 Budgets

Steve Durbin and Jean Morgan addressed the Board on issues related to Payroll Outsourcing. Steve discussed the input and efforts of the WCF Payroll Working Group and provided a list of the members. Steve spoke of the reduction of staff, aging information system, and the past efforts to modernize the payroll operations including the previous Department of the Interior outsourcing efforts. He discussed the current need for a more cautious approach via a thorough analysis of all payroll and personnel issues including service providers and impact to the program offices. He further identified the seven payroll outsourcing alternatives that Booz-Allen & Hamilton, Inc. (BAH) evaluated and the two that appeared to be most viable alternatives.

Jean spoke on the results of the BAH analysis including the 10-year life cycle cost estimates; quantitative and qualitative benefits; and return of investment for the GSA and PeopleSoft alternatives. She pointed out that GSA appears to be the most cost-effective alternative. Savings are largely related to streamlining program processes related to time and attendance and to cost avoidance by not developing a new time and attendance and labor distribution modules. Linda Cureton asked about gap analysis between our current human resource and payroll systems and GSA's payroll system. Jean anticipates no large gaps, but seeks to analyze this issue prior to making a go/no go decision on GSA.

During follow-on discussions, the interface between CHRIS – HR (PeopleSoft) and payroll appeared to be a significant issue to the entire community, especially Board members. The implications on the Department's current human resource processes, program customer employees, labor representation, and actual payroll are complicated and compelling. The Board recognized the difficulty of addressing these issues prior to the go/no go payroll outsourcing decision.

Proposals to the Board included: The preceding discussion will have no anticipated impact on the business pricing policy for FY 2002-3. The Department will enter into a MOU with GSA to complete the requirement and gap analysis needed to make the go/no go decision. That decision is anticipated for late summer FY 2001. The open question related to the implications on the Department's current human resource processes will follow that decision. The Board will institute a permanent working group with payroll experts, human

April 20, 2001

resource management experts, program, and field representation. The Chief Operating Officers Council will be briefed on the subject and asked to provide guidance on how to proceed. The Board approved these proposals, unanimously.

(6) CHRIS – Initial WCF Activity FY 2002 and FY 2003 Projections

Carolyn Collins discussed the CHRIS segment of the Payroll business line, which will be starting up business next year for the first time in the Fund. She discussed the cost structure including contractor support at Morgantown, hardware costs, software licenses and maintenance fees, and desktop support. The proposed pricing policy for CHRIS is already approved as part of the Payroll Business and there are not anticipated changes to budgets for FY 2002-3. Significant risks associated with CHRIS are: DOENet communication charges, E-mail service charges, Oracle licenses, and the decision to outsource payroll services. These risks are mitigated by actions being reviewed by the business. The Board will be apprised of developments. In addition to the interface issues raised above the Board asked for an analysis to compare the cost of human resource and payroll systems at DOE with other federal agencies. Carolyn proposed a working group similar to the payroll working group and the Board supports combining Payroll and CHRIS under one working group subject to input by the Chief Operating Officers Council.

(1) Impact of Above Items on FY 2003 Budget Formulation. Next Board meeting May 18, 2001

Howard Borgstrom handed out budget estimates for building occupancy for FY 2002-3. No evidence has been presented to the Board, which necessitates a change in pricing policy for any WCF business. Therefore, we can complete budget estimates for FY 2003 without further Board action. The remainder of the budget estimates for FY 2003 will be completed by the third week of May for distribution to program customers for their Corporate Review Budget. The proposed IT businesses that are distributed in the “notional bill” each month will also be updated for FY 2003.

(2) The Board voted to Adjourn.

April 20, 2001

Meeting Attendees

BOARD:

MA Howard Borgstrom
CR Michael Telson/Tom Palmieri
DP Roger Lewis
NN Karen Brown
EIA Steve Durbin
EE Steve Lee
EH Leslie Gasperow

NE Lang Soo Hoo
FE Chuck Roy
SO Ronald Shores
SC John Clark
CIO Linda Cureton

ATTENDEES:

Bruce Carnes – S1
Robin Schlegel – SO
Anthony Castellano-SO
Rod Witschey- SO
Mike Orosz - SO
Penny Gardner – SO
Diane Friis - SO
Peter Richards- SO
Jean Morgan - CR
George Tengan- CR
Michele Cooley - CR
Jerry Odegard – CR
Shirley Barker - CR
Michelle Livingston - PML
Laura Brown - PA
Sharon Lewis – EM
Bill Marlowe – BPA
Barry Schrum – IG
Jennifer McAndrews – Dept of Commerce

MA:

Doug Bielan
Brian Costlow
Jerome Butler
Dave Roth
Tanya Luckett
Bill Bethke
Joanne Witman
Bob Emond
Roscoe Harris
Ingrid Robinson
John Harrison
Cheryllyne Williams
Jeff Rubenstein
Tony Nellums
Marcia Morris
Mary Anderson
Carolyn Collins
Ralph Freedman
Steve Perin
Tim Dirks